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NIE 13-2-59 ADVCON

10 February 1959

*NATIONAL INTELLIGENCE ESTIMATE*

## PRESENT TRENDS IN COMMUNIST CHINA

NOTE: This is an advance copy of the conclusions of this estimate as approved by the United States Intelligence Board. The complete text will be circulated within five days of this issuance.



- An assessment of the interrelation of:
  - the great leap forward
  - the communes
  - Mao Tse-tung's leadership
  - Sino-Soviet relations
  - the Chinese Communist foreign policy

*Central Intelligence Agency*

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*Submitted by the*

**DIRECTOR OF CENTRAL INTELLIGENCE**

*The following intelligence organizations participated in the preparation of this estimate: The Central Intelligence Agency and the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and The Joint Staff.*

*Concurred in by the*

**UNITED STATES INTELLIGENCE BOARD**

*on 3 February 1959. Concurring were The Director of Intelligence and Research, Department of State; the Assistant Chief of Staff for Intelligence, Department of the Army; the Director of Naval Intelligence; the Assistant Chief of Staff, Intelligence, USAF; the Director for Intelligence, The Joint Staff; the Assistant to the Secretary of Defense, Special Operations; and the Director of the National Security Agency. The Atomic Energy Commission Representative to the USIB and the Assistant Director, Federal Bureau of Investigation, abstained, the subject being outside of their jurisdiction.*

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## CENTRAL INTELLIGENCE AGENCY

10 February 1959

SUBJECT: NIE 13-2-59: PRESENT TRENDS IN COMMUNIST CHINA

## THE PROBLEM

To assess the significance of the "great leap forward" and the commune programs, and their interrelation with the questions of Mao Tse-tung's leadership, Sino-Soviet relations, and Chinese Communist foreign policy.<sup>1/</sup>

## CONCLUSIONS

1. The Chinese Communist "great leap forward" program has been based largely upon a prodigious expenditure of man power. Although it is difficult to make precise assessments

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<sup>1/</sup> These questions will also be among those examined in more detail in NIE 13-59 (presently scheduled for June 1959), after more time, data, and analysis have been brought to bear than present circumstances permit. The judgments in the present NIE must of necessity be somewhat speculative and preliminary in nature.

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of Chinese Communist claims, it is our preliminary judgment that remarkable increases in production have actually occurred in 1958. In agriculture the increase was at least 10 and possibly as much as 20 percent. Industrial production in some sectors such as steel, coal, and machine tools may have been nearly double that of 1957, although the quality of some of the added output is probably poor and of limited usefulness. The present year will almost certainly see another substantial increase in total production. The rate of advance will probably not be sustained after 1959, however, as some of the human and economic problems generated in this frenzied period begin to take effect.

2. Almost the entire countryside has been organized, in varying degrees, into communes. We believe that the recent party directive modifying the commune program, including the postponement of city communes, largely reflects the need for consolidation before pushing forward again. Although there has been considerable adverse popular reaction, there is little evidence of overt resistance. We believe that the regime's strong system of controls and demonstrated flexibility will enable Peiping to avoid either a repressive blood bath or a forced retreat from the communal experiment.

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3. Mao Tse-tung's announced intention to resign his position as Chairman of the Government has occasioned considerable speculation as to his position in the party. However, we believe his decision was not the result of any party disapproval of his leadership but was motivated, as officially announced, by his desire to concentrate his efforts upon policy problems and Communist theory. As Chairman of the party he will still be number one man in the country.

4. Although the leap forward and commune programs have caused some new frictions in Sino-Soviet relations, these frictions are highly unlikely to threaten Sino-Soviet solidarity against the Western world.

5. There is no firm evidence as to the precise interrelation of Communist China's domestic and foreign adventurousness during 1958. Both appear to be facets of a drive to speed up revolutionary Communist processes. Although Peiping probably estimated that the activation of the crisis in the Taiwan Strait would be useful in rallying the people to the leap forward and commune programs, we do not believe that this was the primary motive in activating the crisis.

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6. The US and GRC response and world reaction during the offshore islands crisis may have had some tempering effect on Peiping's general foreign policy thinking. Less stress is being given to the alleged weakness of the US and more emphasis placed on the "peaceful" and "reasonable" nature of Chinese aims and policies in Asia. These considerations by no means preclude a forceful Chinese Communist move, especially one in response to some target of opportunity.

7. There has already been some adverse Asian reaction to the social costs of the leap forward and commune programs. If these programs fail dismally, Communism will tend to be discredited in Asia, and Communist China's ability to influence other Asian governments will be reduced. However, anything short of a major failure in these programs will still leave the regime in the position to exert heavy pressure on its neighbors. If these programs succeed, fear of Communist China will grow in South and Southeast Asia, thus making it more difficult to prevent small neighboring states such as Cambodia and Thailand from accommodating to Chinese Communist demands. Success will significantly augment the confidence of Peiping's leaders in their ability to press rapidly toward

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their goals, both domestic and foreign, and will strengthen their belief that basic Communist principles provide the only guide to those goals.

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9 February 1959

MEMORANDUM FOR THE DIRECTOR

SUBJECT: SNIE 13-2-59, "Present Trends in Communist China"

BACKGROUND

1. This estimate was requested by CIA on 30 December 1958, the USIB agreeing that the questions especially of leap forward and communes needed to be treated before June 1959, presently the scheduled date of completion of the annual Communist China estimate (NIE 13-59).

SUBSTANCE

2. No major differences of judgment were encountered in the preparation of the estimate.

3. It is not anticipated that any questions will be raised at the USIB.

FOR THE BOARD OF NATIONAL ESTIMATES

ABBOT SMITH  
Acting Assistant Director  
National Estimates

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